

we energies231 W. Michigan St.
Milwaukee, WI 53290-0001

June 15, 2005

Mr. Robert Norcross
Public Service Commission of Wisconsin
610 N. Whitney Way
Madison, WI 53707

Dear Mr. Norcross

RE: ENHANCEMENTS TO WE ENERGIES "ENERGY FOR TOMORROW" GREEN PRICING PROGRAM

Please find enclosed Wisconsin Electric Power Company's (d/b/a/ We Energies) proposed tariff revisions and new tariffs for enhancements to the company's green pricing program, "Energy for Tomorrow". Two enhancements are being proposed at this time. All costs for these enhancements will be born by customers in the "Energy for Tomorrow" renewable energy program, will maintain the program as "revenue/cost neutral", and will have no impact on We Energies customers who do not choose to participate in the program.

The first enhancement is to propose a new product offering for larger purchasers of renewable energy within the "Energy for Tomorrow" program. This new offering provides for a lower Experimental Renewable Energy Rider adder for demand customers that purchase 70,000 kWh or more per month of renewable energy or for commercial customers that have multiple accounts under common ownership that can purchase a total of 70,000 kWh or more per month of renewable energy. Attachments 1 and 2 to this memo provide the proposed tariff sheets for these enhancements.

The second enhancement is a new experimental tariff that provides a new option to our customers, a "Solar Buy-Back Rate". Under this rate, the Company will purchase the output of solar photovoltaic installations meeting certain requirements delineated in the associated tariff sheet. The Company will buy the output from qualifying PV installations (up to an aggregate total of 500 installed kilowatts under this experimental tariff) for up to 10 years at a set price. In exchange, the Company will use the "renewable energy certificates" from the renewable energy produced to supply the "Energy for Tomorrow" program. Customers have asked us to include solar power in the program generation supply, and we are responding to these requests. Depending on the mix of solar PV installations (fixed tilt, single axis tracking, or dual axis tracking), estimated purchased solar energy could range between 620,000 kWh – 830,000 kWh at a cost to the "Energy for Tomorrow" power supply mix of \$139,000 - \$187,000. Also, by including the purchased solar power as a generation source for the "Energy for Tomorrow" program, other customers not participating in the program are not impacted by the costs of purchasing this energy over the 10 year period. Attachment 3 to this memo provides this new experimental tariff.



If the enclosed sheets meet with your approval, please advise the Company of the Amendment number(s). If you have questions regarding this proposal, please feel free to call Jeff Anthony at 414-221-2481.

Sincerely,

A handwritten signature in black ink, appearing to read "Roman Draba". The signature is fluid and cursive, with the first name "Roman" written in a larger, more prominent script than the last name "Draba".

Roman Draba
V.P. - State Regulatory Affairs
We Energies

Enclosure

cc: John Feit

WISCONSIN ELECTRIC POWER COMPANY

Volume 19 – Electric Rates

Revision 4 Sheet 3
Amendment No.**INDEX TO RATES**

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Revision 28 Sheet 4
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163	0	12/18/00
164	4	05/19/05
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166	1	01/01/01
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168	0	12/18/00
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WISCONSIN ELECTRIC POWER COMPANY

Volume 19 – Electric Rates

Revision 1 Sheet 129

Amendment No.

Effective In All Areas Served In Wisconsin

Rider ERER 2

EXPERIMENTAL RENEWABLE ENERGY RIDER

AVAILABILITY

Available to customers currently taking service under the rate schedules Cg 2, Cg 3, Cp 1, Ms 1, Ms 2, and St 1, who wish to nominate to purchase a block of energy generated by renewable resources.

RATE

In addition to the customer's normal energy charge as indicated in the rate schedule under which the customer is served, there will be an adder based on the block of renewable energy purchased, which is applied to the lesser of the kWh consumed or the kWh nominated for renewable energy.

R

Energy for Tomorrow® blocks under 70,000 kWh per month 2.04¢ per kWh

N

Energy for Tomorrow® blocks 70,000 kWh or greater per month 1.50¢ per kWh

N

CONDITIONS OF DELIVERY

- (1) The customer will sign an individual customer contract which will initially obligate the customer to purchase up to the customer nominated block of renewable energy each billing period for the remainder of the calendar year. Thereafter, the contract will automatically renew for the next calendar year on the first day of the calendar year unless terminated by either the Company or the customer prior to December 1. The customer may, at anytime, increase the size of the block of renewable energy nominated.
- (2) If the amount of renewable energy nominated is more than the amount of energy consumed in a given billing period, the customer will pay the renewable energy premium only on the amount of energy consumed in that given billing period.
- (3) A customer that has more than one account at the applicable rate classes may choose to allocate their block purchase to one or more of the applicable accounts. If the total Energy for Tomorrow purchase is equal to or greater than 70,000 kWh per month, the customer will qualify for the applicable rate above.
- (4) The size of the block of renewable energy nominated is completely at the discretion of the customer. There is no minimum or maximum block size of renewable energy that can be nominated.
- (5) In addition to the rate and conditions of delivery noted above all rates and conditions of delivery of the respective rate schedule under which the customer is currently served are applicable.

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WISCONSIN ELECTRIC POWER COMPANY

Volume 19 – Electric Rates

Original Sheet 183

Effective In All Areas Served In Wisconsin

Amendment No.

Rider EREC 4

EXPERIMENTAL RENEWABLE ENERGY RIDER

N

AVAILABILITY

Available to customers currently taking service under the Cg 1, Cg 2, Cg 3, Cg 6, Cp 1, Ms 1, Ms 2 and St 1 rate schedules who wish to purchase 25%, 50% or 100% of their electricity requirements in the form of energy generated by renewable resources and have multiple accounts under one corporate ownership and agree to purchase greater than or equal to 70,000 kWh per month.

RATE

In addition to the customer's normal energy charge as indicated in the rate schedule under which the customer is served; there will be an adder per kWh based on the level of participation selected by the customer as follows:

Energy for Tomorrow® - 25% 0.375¢ per kWh

Energy for Tomorrow® - 50% 0.75 ¢ per kWh

Energy for Tomorrow® - 100% 1.50¢ per kWh

CONDITIONS OF DELIVERY

The customer will sign an individual customer contract which will initially obligate the customer to purchase the customer specified percentage of renewable energy each billing period for the remainder of the calendar year. Thereafter, the contract will automatically renew for the next calendar year on the first day of the calendar year unless terminated by either the Company or the customer prior to December 1. The customer may, at any time, increase the percentage of renewable energy specified.

Only one contract will be signed for all applicable accounts. The contract will detail each account to receive Energy for Tomorrow, the purchase level percentage for each account and the past 12 months total energy sales for each account. The total annual Energy for Tomorrow purchase must be equal to or greater than 70,000 kWh per month for each of the past 12 months for the customer to qualify for this rate.

The customer will agree to purchase in the future a total equal to or greater than 70,000 kWh per month from all accounts enrolled under one corporate ownership.

In addition to the rate above, all rates and Conditions of Delivery of the respective rate schedule under which the customer is currently served are applicable.

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Original Sheet 184

Amendment No.

Rate Schedule CGS-PV

EXPERIMENTAL RENEWABLE ENERGY (SOLAR PV) DISRIBUTED GENERATION

N

AVAILABILITY

For the purposes of this schedule, Company is defined as Wisconsin Electric Power Company and Customer is defined as a person or business who wishes to sell electricity generated using solar photovoltaics (PV) to the Company.

This rate schedule is available to Customers participating in one of the Company's Energy For Tomorrow programs (rate schedules ERER1, ERER2 or ERER3). Eligible PV generating equipment must be rated for an aggregate generation capacity of not less than 1.5 kW and not more than 100 kW. This experimental tariff offering is limited to 500 kW of total generation capacity.

Eligible Customers may enroll in this experimental tariff offering for a period of three years from the effective date of this rate schedule by entering into a 10-year contract with the Company. Customers will execute and submit an interconnection agreement and meet all criteria in the Conditions of Purchase section of this tariff rider.

The terms and conditions of this rider may be modified before the expiration date, subject to approval by the Public Service Commission.

RATE

Facilities Charge

Customers generating 1.5 to 20 kW	No separate Facilities Charge for this rate schedule
Customers generating over 20 kW	Facilities Charges for CGS-1 rate schedule apply

Note that facility charges listed in this rate schedule apply to Customers selling electricity to the Company. Such facilities charges are in addition to the normal monthly facilities charge applicable to the rate schedule under which the Customer takes electric service as a purchaser from the Company.

Energy Rate

The Company will purchase power from the Customer at the following rate: \$0.225 per kWh.

The Customer will receive a monthly credit for the energy sold to the Company at the above rate and will receive at check whenever any net accumulated amount exceeds \$100.00.

Meter Charge

A second meter is required to measure the solar PV generating output of the Customer. The applicable second meter charge is:

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Rate Schedule CGS-PV

EXPERIMENTAL RENEWABLE ENERGY (SOLAR PV) DISRIBUTED GENERATION

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Meter charge (cont.)

\$2.50 per month for Time-of-Use customers (rate schedules Rg 2, Cg 3, Cg 6, Cp 1, St 1)

\$1.00 per month for all other customers generating 40 kW or less.

For Customers generating over 40 kW additional meter charges may apply (see item 16 below under CONDITIONS OF PURCHASE)

Minimum Charge

The monthly minimum charge is the applicable facilities charge plus the meter charge. Note that for customers generating no more than 20kW, there is no separate facilities charge for this rate schedule.

CONDITIONS OF PURCHASE

- (1) This tariff is limited to Energy for Tomorrow Customers. The level of participation in the Energy for Tomorrow program shall be at least as great as the anticipated annual PV output as mutually agreed upon by the Company and the Customer. See the Energy for Tomorrow rate schedules for additional detail.
- (2) This experimental tariff has a limited three-year enrollment period beginning with the effective date of this tariff. Customers with a signed contract may remain on the rate schedule for a term of 10 years from the date of their enrollment.
- (3) The Company will have title to all of the associated renewable attributes produced by the generation. Renewable attributes include any and all local, state, federal, and/or international renewable resource credits, emissions credits and any other environmentally related credits that are, or in the future will be, recognized by any governmental authority and attributed to the production of energy from renewable power.
- (4) The Customer must comply with the various applicable national, state and local electrical codes, rules and regulations; the electric service rules and regulations of the Company, as well as the requirements of Wisconsin Administrative Code Chapter PSC 119, including the insurance requirements set out in PSC 119. The Company may request proof of such compliance prior to initiation of service. Proof of such compliance consists of a municipal inspection certificate or in locations where there is no municipal inspection, an affidavit furnished by the contractor or other person doing the work.

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Amendment No.

Rate Schedule CGS-PV

EXPERIMENTAL RENEWABLE ENERGY (SOLAR PV) DISRIBUTED GENERATION

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(Continued from Sheet No. 185)

CONDITIONS OF PURCHASE (cont.)

- (5) A Distributed Generation Interconnection Agreement is required between the Customer and the Company as a condition for parallel operation of generation equipment.
- (6) A Surplus Energy Purchase Agreement is required between the customer and the Company as a condition for parallel operation.
- (7) An Energy for Tomorrow Power Partner Program Agreement is required between the Customer and the Company. The Customer has the right to appeal to the Public Service Commission if the Customer believes the terms of such Agreements are unreasonable.
- (8) A Customer operating electric generating equipment shall not connect it in parallel with the Company's electrical system unless the Customer has provided, at Customer's expense, protective and synchronizing equipment satisfactory to the Company.
- (9) The Customer shall operate its electric generating equipment in such a manner that does not unduly affect the Company's voltage waveform. The Company, at its sole discretion, will determine whether the Customer's generating equipment satisfies this criteria.
- (10) Pursuant to Wisconsin Administrative Code Chapter PSC 119, the Customer shall permit the Company, at any time that it deems necessary, to install or modify any equipment, facility or apparatus to protect the safety of its employees or the accuracy of its metering equipment as a result of the operation of the Customer's equipment. The Customer shall reimburse the Company for the cost of such installation or modification upon receipt of a statement from the Company.
- (11) Pursuant to Wisconsin Administrative Code Chapter PSC 119, the Customer shall permit Company employees to enter its property at any reasonable time for the purpose of inspecting and/or testing its equipment, facilities or apparatus to ensure its continued safe operation and the accuracy of the Company's metering equipment. Such inspections shall not relieve the Customer from its obligation to maintain the facilities in satisfactory operating condition.
- (12) Each of the parties shall indemnify and hold the other harmless against any and all liability for injuries or damages to persons or property caused, without the negligence of such other party, by the operation and maintenance by such parties of their respective electric equipment, lines and other facilities.
- (13) The Customer is obligated to pay all costs up-front to interconnect its generation facility to Company's electrical system. Interconnection costs include, but are not limited to, those specified in PSC 119.08 as well as transformer costs, line extension and upgrade costs.

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Original Sheet 187

Amendment No.

Effective In All Areas Served In Wisconsin

Rate Schedule CGS-PV

EXPERIMENTAL RENEWABLE ENERGY (SOLAR PV) DISRIBUTED GENERATION

N

(Continued from Sheet No. 186)

CONDITIONS OF PURCHASE (cont.)

- (14) The Customer may simultaneously purchase energy from and sell energy to the Company. A second meter is required to measure the solar PV generating system output.
- (15) The Customer may contract for supplementary, stand-by, and maintenance electrical service from the Company under the rate schedule corresponding to the Customer's class of service. If a Customer is billed on a rate schedule which has a separately identified demand charge, the demand charge assessed for maintenance service will be prorated to take into account the number of days the Customer actually used Company service during the billing period.
- (16) The Customer is obligated to pay the cost, if any, associated with the more extensive meter requirements for PV generating equipment rated for an aggregate generation capacity greater than 40 kW. Specific metering requirements will vary depending on the installation.

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